



News Release

FOR RELEASE TUESDAY, NOVEMBER 24, 1998

Convergys signs 3-year, \$120-million contract with AT&T

Contract covers full range of local and LD voice and data services

CINCINNATI – AT&T announced today that it has signed a three-year, \$120-million contract to provide a full range of voice and data services to Convergys Corp., the global leader in delivering outsourced, integrated customer care and billing services.

The contract covers communications services at more than 20 major locations in the U.S., including Convergys' world headquarters in Cincinnati, and 12 international locations. It includes 25,000 toll-free numbers, making Convergys one of the nation's largest users of toll-free services. AT&T's services afford Convergys the ability to conduct 35,000 simultaneous conversations.

"The quality and breadth of AT&T's services are key elements of our core telecommunications infrastructure," said Ted Cwiok, vice president of corporate technology for Convergys' Customer Management Group.

"Operating three state-of-the-art data centers and more than 30 other facilities internationally makes advanced telecommunications services mission-critical for Convergys," he added. "That's why this contract addresses our current and future needs. Both Convergys' Information Management and Customer Management Groups have worked very closely with AT&T over the years, and we look forward to continuing our successful and strategic relationship."

The contract includes domestic and international long-distance services, both inbound and outbound, plus local service via AT&T Digital Link. Additionally, AT&T will provide domestic and international private-line and frame relay services. Convergys also purchases wireless services from AT&T and uses AT&T WorldNet® Managed Internet Service (MIS) to provide online service and transaction capabilities for service center and administrative functions.

ABOUT AT&T

AT&T (www.att.com) is the world's premier provider of voice and data communications, with more than 80 million customers, including businesses, government and consumers. AT&T runs the world's largest, most powerful long-distance network and the largest wireless network in North America. The company is a leading supplier of data and Internet services for businesses and the nation's largest direct Internet service provider to consumers. AT&T also provides local telephone service to a growing number of businesses.

ABOUT CONVERGYS

Convergys (formerly CBIS and MATRIX Marketing) is the global leader in providing outsourced, integrated customer care and billing services, bringing together world-class resources and expertise to help clients transform customer relationships into a competitive advantage. Convergys software produces more than one million bills each day and Convergys customer care handles more than one million calls each day.

Convergys serves the top companies in a wide range of industries, including communications,

technology, cable and broadband services, consumer products, financial services, utilities, healthcare, hospitality and direct response. Headquartered in Cincinnati, Convergys employs over 30,000 people at its more than 30 service centers, data centers and other offices in the United States, Canada and Europe. Convergys is on the web at www.convergys.com.

* AT&T WorldNet is a registered trademark of AT&T

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KEYWORDS: [convergys](#), [toll_free](#), [data](#), [voice](#)

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MCI WORLDCom WINS LARGEST CONTRACT SINCE MERGER

**Minimum Revenue Guarantee of \$750M Over 4-Year Period;
Sweeping, Multi-billion dollar Government Contract Will Help
Connect Federal Government Workers; More Than 200 New
Positions Anticipated**

WASHINGTON, January 12, 1999 -- MCI WorldCom has captured the second of two awards for the federal government's FTS2001 program that will provide comprehensive, global long distance networking services for federal agencies. The two awards, combined, represent the largest ever government telecommunications contract, which is estimated to be more than \$5 billion over eight years. In addition, the company expects that the contract will eventually create more than 200 new jobs around the country.

The eight-year, multi-billion dollar contract includes a range of domestic and global voice, data, Internet and videoconferencing services. The terms of the contract will allow MCI WorldCom to offer, after one year, local services as well - leveraging the company's unique local-to-global-to-local proposition.

The contract also represents a change for 70 percent of the government agencies that currently receive services under the FTS2000 contract. The transition will take place over the next year. The FTS2001 contract negotiated with MCI WorldCom will save the government approximately \$4 billion over the life of the contract - while delivering state-of-the-art communications services.

"This award underscores the significance of forging public/private arrangements to create quality service at good value," said Tim Price, president and chief executive officer, MCI WorldCom Communications. "This is MCI WorldCom's largest contract win as a newly merged company, and we're pleased that the program will not only bring innovative communications services to federal workers, but will also impact the millions of Americans that have daily contact with those same agencies."

MCI WorldCom also holds significant federal contracts with the United States Postal Service, the Federal Aviation Administration, the National

Science Foundation and the Department of Defense.

The FTS -- or Federal Technology Service -- of the federal government's General Services Administration, is tasked by Congress and the Executive Branch to provide network services and information technology solutions for the entire government.

FTS2001 was designed to allow individual user agencies to choose from the two awarded communications companies when provisioning their services. Previous FTS contracts stipulated which vendors the agencies were to utilize. This redesign also creates new opportunities for the awarded communications companies to secure additional contracts and increase their revenues.

"This contract ushers in an exciting new era in government procurement," said Jerry Edgerton, MCI WorldCom senior vice president of government markets. "With an open, competitive environment, agencies have more choices and the flexibility to spend taxpayer dollars in a way that best suits their needs. MCI WorldCom account teams, customer service specialists, and technology experts look forward to working closely with the GSA and user agencies to define, initiate and maintain program components."

"We are very pleased with the overall results of the FTS2001 competition," said GSA Administrator David J. Barram. "This is a good example of how we are using real market competition to help forge a path to inexpensive electronic government in the next millennium."

"GSA's accomplishments in continuing successful alliances with companies such as MCI WorldCom are the key to our future success as we focus on our bottom line and future telecommunications initiatives," added Dennis Fischer, Commissioner of the Federal Technology Service.

MCI WorldCom Government Markets is a sales and marketing unit of MCI WorldCom, serving the U.S. Government and its agencies, and state governments. Offering managed network services, systems integration, and other products, MCI WorldCom Government Markets is a leader in providing communications solutions to government organizations. For more information on Government Markets, visit its home page at www.governmentmci.com.

MCI WorldCom is a global communications company with revenue of more than \$30 billion and established operations in over 65 countries encompassing the Americas, Europe and the Asia-Pacific regions. MCI WorldCom is a premier provider of facilities-based and fully integrated local, long distance, international and Internet services. MCI WorldCom's global networks, including its state-of-the-art pan-European network and transoceanic cable systems, provide end-to-end high-capacity connectivity to more than 38,000 buildings worldwide. For more information on MCI WorldCom, visit the World Wide Web at www.mciworldcom.com or www.wcom.com.

Exhibit 6

PRESS RELEASE

Teligent introduces revolutionary, lower-cost communications services in Atlanta, Boston, Philadelphia and Wilmington

VIENNA, VA., January 20, 1999 – Teligent today launched its revolutionary, high-bandwidth communications services for small and medium-sized businesses in four new markets – Atlanta, Boston, Philadelphia and Wilmington, Del. With today's launch, Teligent now serves customers in 19 of the nation's top markets.

Teligent offers customers savings of up to 30 percent on local, long distance, high-speed data and dedicated Internet services. Using its digital SmartWave™ technology, Teligent gives smaller businesses the high network speed and capacity – up to 45 megabits per second – previously available only to larger companies at much higher prices.

"Today we've brought the communications revolution to small and mid-sized companies in four major business centers -- Atlanta, Boston, Philadelphia and Wilmington," said Teligent Chairman and CEO Alex J. Mandl. "That means big savings, bigger bandwidth and better service to the fastest growing segment of the U.S. economy.

"With the explosion of e-commerce and the data market," Mandl added, "Teligent enables smaller businesses to benefit directly with faster Internet access and higher data network speeds. In a very real sense, Teligent is putting businesses on the e-map."

Including the markets announced today, Teligent service is now available in New York, Los Angeles, Chicago, Houston, Philadelphia, Dallas-Fort Worth, San Antonio, San Jose, San Francisco-Oakland, Jacksonville, Washington DC, Boston, Austin, Denver, Atlanta, Miami, Orlando, Tampa and Wilmington, Del.

Together, those 19 markets comprise more than 375 cities and towns with a combined population of more than 60 million. By year-end, Teligent expects to offer service in

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40 markets across the country.

Among Teligent's first customers is the Rudin Management Company, Inc., based in New York City. Rudin selected Teligent to provide communications services for its most recent project at the New York Information Technology Center at 55 Broad Street in lower Manhattan, which houses more than 80 new media companies.

"Teligent has proven to be a valuable partner in helping Rudin meet its tenants' vast technological needs," said John J. Gilbert, Rudin's chief technology officer and executive vice president. "Rudin is creating new ways to distribute telecommunications bandwidth within buildings, and Teligent is working hard to help us make that goal a reality."

Teligent offers small and medium-sized companies a flat monthly bill that represents savings of up to 30 percent off the rates they pay their current local telephone company, national long distance carrier and Internet provider.

To qualify for the maximum discount, customers switch their existing service – local, long distance or Internet – and sign up with Teligent for a minimum of one year. Teligent averages several representative bills from the customer's current carriers and deducts 30 percent. That figure becomes the customer's new flat monthly rate. In most cases, it's as simple as that. Local and Internet service are unlimited. If customers wish to increase their long distance usage over current levels, they can purchase more service at attractive prices.

Teligent service also features e•magine™, an interactive, Web-based business management tool that transforms a customer's communications bill into a simple, predictable package. Using their Internet browser, customers can access their billing and account information anytime they choose. e•magine™ allows them to sort and analyze calls by account code, originating number or other criteria – virtually any way they like. And they also can download data for their own use – every day. That means they won't have to wait for a paper bill to arrive in the mail every month to keep abreast of their communications activity.

Many of the benefits that Teligent offers its customers – simplicity, service, savings and speed – are the direct result of its digital SmartWave™ technology.

"SmartWave™ technology enables us to deliver a lower-cost, high-speed solution for small and mid-sized businesses, so they can compete with any company, no matter how big," said Teligent President and Chief Operating Officer Kirby G. Pickle Jr.

SmartWave™ technology represents a marriage of proven high-frequency radio transmission equipment with latest advances in point-to-multipoint radio technology, enabling Teligent to increase its local network efficiency and reduce network costs.

Instead of digging up streets, Teligent delivers service by installing small antennas on the roofs of customer buildings. When a customer picks up a telephone, turns on a computer or activates a videoconference, the signal travels over inside wiring to the rooftop antenna. The customer building antenna then relays the voice, data or video signals to a Teligent base station antenna.

The base station antenna gathers signals from a cluster of surrounding customer buildings, aggregates the signals and then routes them to a Teligent broadband switching center. At the switching center, Teligent uses ATM (asynchronous transfer mode) switches and data routers along with Nortel DMS switches to hand off the traffic to other networks – the public circuit-switched voice network, the packet-switched Internet, and private data networks.

As it builds its local networks, Teligent is combining the latest in point-to-multipoint radio technology with more traditional network technology, including point-to-point fixed wireless and broadband wireline, to access its customers. Point-to-multipoint radio technology offers significant cost savings because it allows a single base station to serve a large cluster of customer buildings.

SmartWave™ technology is configured to handle both voice and data traffic with equal ease, ensuring that Teligent can handle today's huge volume of voice traffic and at the same time is prepared for the coming data traffic explosion.

— Teligent's service offering is supported by a
— skilled communications workforce that has
— grown to more than 1,500 employees.
— Teligent teams now are deployed in 37
— markets across the country, building
— Teligent's local communications networks.

— Teligent's new offices are located at:

— Atlanta
— 3480 Preston Ridge Road, Suite 250
— Alpharetta, Georgia 30005
— 678-297-2300

— Boston
— 100 Summer Street, 30th floor
— Boston, Massachusetts 02110
— 617-556-5400

— Philadelphia - Wilmington
— One Bala Plaza, Suite 326
— Bala Cynwyd, Pennsylvania 19004
— 610-660-7020

— Based in Vienna, Va., Teligent, Inc. (NASDAQ:
— TGNT) is a full-service, integrated
— communications company that is offering
— small and medium-sized business customers
— local, long distance, high-speed data and
— dedicated Internet services over its digital
— SmartWave™ local networks in 19 major
— markets. Eventually, Teligent will expand
— service to 74 major metropolitan areas
— throughout the United States. Teligent's
— offerings of regulated services are subject to
— tariff approval.

— For more information, visit the Teligent
— website at: <http://www.teligent.com>

— *Except for any historical information contained herein, the*
— *matters discussed in this press release contain*
— *forward-looking statements that involve risks and*
— *uncertainties, including but not limited to economic, key*
— *employee, competitive, governmental and technological*
— *factors affecting the company's growth, operations,*
— *markets, products, services, licenses and other factors*
— *discussed in the company's filings with the Securities and*
— *Exchange Commission. Actual results may vary materially*
— *due to these and other risks and uncertainties.*

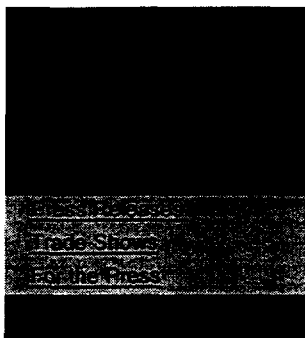
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Exhibit 7



Frontier Communications Doubled Number of Competitive Local Access Lines in 1998

ROCHESTER, N.Y. -- January 12, 1999 -- Over the last year, Frontier Communications has successfully deployed its local telephone service nationwide, doubling the number of local access lines it serves as a competitive local exchange carrier (CLEC) to 200,000. Using a strategy that combines reselling local service from the Regional Bell companies and installing its own local switching equipment, Frontier has amassed one of the largest service footprints in the industry, offering integrated local, long distance and data services to approximately 70 percent of the U.S. business population.

"Frontier's approach with its CLEC deployment strategy clearly leverages the company's existing core strengths. First, it quickly achieved national coverage through its resale initiative, capitalizing on its experience in provisioning local service and the backroom capabilities of its established local service operations," said Gail Jones, a senior telecommunications analyst at The Yankee Group. "Now, by transitioning over to its own facilities in major markets, Frontier is able to offer its customers a wider product portfolio along with the speed, reliability and bandwidth of its optical network."

Frontier resells local service in 32 states and the District of Columbia. Having established itself as a reseller from coast to coast, Frontier is now focusing its efforts on expanding its facilities-based operations, providing data, local and long distance services over the state-of-the-art Frontier Optronics NetworkSM. Frontier currently offers integrated local/data/long distance service, using its own facilities, in 13 major metropolitan markets across the country. By the end of the first quarter 1999, it expects to nearly double that number, offering integrated communications solutions on its own facilities to customers in a total of 25 top U.S. markets.

"The ability to offer local service nationwide has been a huge selling point for Frontier," said Bill Hammond, Frontier's vice president of product management for local services. "Because of our nearly universal coverage, customers can save time and money by getting all of their communications services -- for all of their locations -- from one provider, billed on one invoice."

Frontier Communications, a unit of Frontier Corporation (NYSE:FRO), is one of the leading providers of

integrated communications services -- including Internet, IP and data applications, long distance, local telephone and wireless -- to business customers nationwide. The self-healing Frontier Optronics NetworkSM provides customers with faster transmission speeds, greater bandwidth capacity and unrivaled reliability. For more information and a map of Frontier's CLEC presence, visit the Frontier web site at www.frontiercorp.com.

Frontier offers local service as a reseller virtually statewide in:

Arizona	California	Colorado	Connecticut
Florida	Georgia	Illinois	Indiana
Kansas	Kentucky	Maryland	Massachusetts
Michigan	Minnesota	Mississippi	Missouri
New Hampshire	New Jersey	New York	Nevada
North Carolina	Ohio	Oklahoma	Oregon
Pennsylvania	Rhode Island	South Carolina	Tennessee
Texas	Virginia	Washington	Wisconsin

as well as throughout the District of Columbia

Frontier resells the services of the following Regional Bell Operating Companies:

Ameritech	Bell Atlantic	BellSouth	SBC
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U S WEST

Frontier is a facilities-based provider of local service in the following markets:

Atlanta	Boston	Chicago	Cleveland
Dallas	Denver	Fort Worth	Kansas City
Minneapolis	New York	Portland	Seattle
St. Louis			

Frontier expects to add the following cities to its facilities-based footprint in 1Q99:

Detroit	Houston	Los Angeles	Milwaukee
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Oakland	Orange County, CA	Philadelphia	Sacramento
San Diego	San Francisco	San Jose	Washington, D.C.

You can receive a faxed copy of any Frontier Corporation press release dating back to January 1998, free of charge, 24 hours a day by calling 1-800-448-8533. An automated system will provide you with instructions.

[▲ Top](#)

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NEWSTAND

LATEST NEWS : OVERVIEW

Focal Communications Corporation Reports Strong Access Line Growth During The Fourth Quarter

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Chicago, January 14, 1999 - Focal Communications Corporation (Focal), a competitive local exchange carrier (CLEC), reported today strong access line growth for its fourth quarter ended December 31, 1998. During the fourth quarter of 1998 the total number of access lines sold grew to 68,184. This represents an increase of 65% from the 41,316 access lines sold at the end of the third quarter of 1998. As of December 31, 1998 there were 52,011 access lines installed and in service.

Focal continued its aggressive expansion plans by turning up service in the Los Angeles and Washington, D.C. markets during the fourth quarter. In addition, the company recently announced that it acquired network assets -- a Nortel DMS-500 switch and related infrastructure -- from Level3 Communications, which is currently operational in the Boston area. Focal now offers local telecommunications service to telecom intensive users in seven major markets including Chicago, New York, Philadelphia, San Francisco, Los Angeles, Washington, D.C. and Boston.

"We continue to be pleased with our success in access line sales and installations. Our growth during the quarter was fueled by strong performance in our existing markets as well as the roll out of services in our new markets," commented Robert Taylor, president and chief executive officer of Focal.

Focal Communications Corporation, headquartered in Chicago, provides sophisticated telecommunications users with facilities-based, switched local telephone service. Focal currently services 29 MSAs (metropolitan statistical areas) in 10 states, is under construction in 13 MSAs and plans to reach a total of 42 MSAs in ten metropolitan markets by the end of 1999.

The company is privately held by several major institutions and its employees. Focal offers unique communication services to major corporations, Internet Service Providers and value-added resellers, providing them with the diversity, reliability and sophistication that they demand. Committed to customer satisfaction, Focal guarantees installation dates and continuous service.

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**NEXTLINK COMMUNICATIONS TO ACQUIRE WNP
COMMUNICATIONS FOR \$695 MILLION**

-- NEXTLINK to Become Largest Holder of LMDS Wireless
Spectrum in North America, Covering Approximately 95 Percent of
the POPs in the United States' Top 30 Markets --

Bellevue, Wash., January 14, 1999 --NEXTLINK Communications, Inc. (Nasdaq: NXLK), one of the nation's leading providers of competitive telecommunications services, announced today it reached an agreement to acquire WNP Communications, Inc. for \$695 million, payable in cash and stock. NEXTLINK will pay approximately 542.1 million to WNP and \$152.9 million in license charges to the Federal Communications Commission. The agreement is subject to Federal regulatory approvals.

NEXTLINK will receive WNP's 39 A block LMDS (local multipoint distribution service) wireless licenses covering 98 million POPs and one B block LMDS wireless license covering 16 million POPs. LMDS is a fixed wireless transmission technology that provides integrated, two-way digital distribution of multimedia services using a combination of large, high-quality bandwidth similar to fiber optic cable, yet delivered wireless via a small rooftop antenna. The company will use the licenses to build fixed wireless extensions to its local fiber optic networks planned to cover most major cities in the United States.

NEXTLINK also announced a broad agreement in principle to acquire Nextel Communications, Inc.'s 50 percent interest in NEXTBAND, a joint venture of Nextel and NEXTLINK that owns 13 A block LMDS licenses and 29 B block LMDS licenses for approximately \$137.7 million. The acquisition price for Nextel's interest in NEXTBAND will be based on the same value per megahertz per thousand POPs as used in the WNP transaction. Nextel will continue to focus on its successful core business of mobile wireless communications for business.

"This is a very important strategic announcement for NEXTLINK and will allow us to rapidly extend our local networks to a much broader target audience and advance our goal of becoming a complete facilities-based, end-to-end provider of telecommunications services," said Wayne Perry, NEXTLINK's chief executive officer. "Fixed wireless will give us another important transport and access capability to complement our local and inter-city fiber networks that are being developed throughout the United States."

After combining the wireless licenses acquired through WNP with those owned through its investment in NEXTBAND, NEXTLINK will become the largest owner of LMDS wireless spectrum in North America, covering approximately 95 percent of the top 30 markets in the United States

Press Release

The company intends to use the wireless licenses to extend and complement its local fiber networks as well as the company's 16,000 mile inter-city long haul fiber network called INTERNEXT, which is currently under development and planned to be completed in 2001. By the end of the year 2000, NEXTLINK expects to have networks in most of the top 30 markets in the United States. Already, NEXTLINK operates fiber networks in many of those top markets including Los Angeles, San Francisco, Dallas, Denver, Miami, Chicago, Atlanta, Philadelphia, Cleveland and New York City.

"By using fixed wireless as an alternative means to reach our customers, we can further reduce our reliance on the ILEC, thereby relieving our provisioning bottleneck, accelerating our installation time, and increasing the number of on-net buildings we serve," said George Tronsrue, NEXTLINK's president and chief operating officer. "Our wireless solution will serve as spurs from our SONET fiber rings in major cities. Since the wireless building antennas are portable, the combination of fiber and fixed wireless will give us tremendous flexibility to design our networks with maximum capital efficiency."

"We will have the capability of running the equivalent of up to eight OC-3's per hub site over our wireless transmission, giving a building significant telecommunications capacity for voice and data services," continued Tronsrue. "We can choose the best transmission solution for each customer, giving us cost and service quality advantages over both the wired-only and wireless-only local service providers. It's a matter of having all the right tools and then choosing the best one for the job."

NEXTLINK is currently working with equipment vendors who are developing fixed wireless technology for the LMDS spectrum and expects to begin testing the service early this year and begin offering commercial service in limited areas by the end of the year.

NEXTLINK Communications, Inc. was founded by Craig McCaw in 1994 to provide local, long distance and enhanced communications services to commercial customers and is one of the fastest growing competitive telecommunications providers in the nation. Headquartered in Bellevue, Wash., NEXTLINK currently operates 22 facilities-based networks providing switched local and long distance services in 36 markets in 14 states.

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The statements contained in this release which are not historical facts are "forward-looking statements" (as such term is defined in the Private Securities Litigation Reform Act of 1995). Management wishes to caution the reader that these forward-looking statements, regarding matters that are not historical facts, are only predictions and are subject to risks and uncertainties. No assurance can be given that the future results will be achieved. Such risks include those identified in the Company's Form 10-KSB for the year ended December 31, 1997 and other reports and filings with the Securities and Exchange Commission, and also include, but are not limited to, the Company's ability to successfully market its services to current and new customers, to design and construct fiber optic networks, install cable and facilities, including switching electronics, to develop, install and provision LMDS equipment and interconnect that equipment with the Company's fiber networks and connect the networks, including LMDS equipment to customers and to interconnect with existing local exchange carriers, all in a timely manner, at reasonable costs and on satisfactory terms and conditions, and certain risks related to the Company's national network strategy.

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WINSTAR ANNOUNCES PLAN TO EXTEND INDUSTRY LEADERSHIP

Will Expand Into 110 Markets Worldwide Over Next Five Years

Reports Substantial Progress on Several Fronts, Including Multipoint Commercial Launch, International Expansion, Building Access Rights and Project Millennium Marketing Campaign

New Agreements with Williams Communications Demonstrate Value of Network Expansion

NEW YORK, DECEMBER 17, 1998 – WINSTAR COMMUNICATIONS (NASDAQ: WCII) today announced its plan to extend its industry leadership by making its broadband network widely available to business customers in 110 markets worldwide.

In a day-long meeting with financial analysts and investors, WinStar reported substantial progress across all aspects of its business, demonstrating why it is uniquely positioned to achieve broadband ubiquity and popularize a full suite of broadband applications, including high-speed Internet access, full motion video conferencing and bandwidth on demand.

Significant WinStar announcements included:

- WinStar plans to double the U.S. reach of its broadband network to 60 major markets over the next two years and to serve an additional 50 major international markets within five years. During 1999, WinStar will expand to 45 U.S. and six international markets. In pursuing this accelerated build-out, WinStar will take advantage of the resources and expertise of Lucent Technologies under their \$2 billion strategic alliance announced in October.
- WinStar demonstrated the value of its network expansion by selling two percent of its long-term broadband capacity for \$400 million to Williams Communications, Inc. It also purchased from Williams national fiber capacity, previously obtained by WinStar at a higher cost, for \$640 million.
- WinStar commercially deployed its state-of-the-art multipoint technology in Washington, D.C. and will expand its multipoint capability nationwide in 1999. This will significantly lower the cost of its network build-out and enable WinStar to serve far more customers in each of its markets.
- The company is off to a quick start in its international expansion and will commercially launch its Wireless FiberSM service in Amsterdam beginning in February 1999. It also revealed a plan to add the following additional cities to its network in 1999: Paris, London, Tokyo, Sydney and Buenos Aires.
- The company's Project Millennium marketing campaign accelerated "on-net" line orders in targeted markets. In New York City, WinStar's largest market, more than 93% of new line orders in November were in newly connected "on-net" WinStar

buildings.

- In the fourth quarter of 1998, WinStar obtained access rights to an additional 700 buildings, for a total of more than 4,200 to date, exceeding its target of 4,000.

William J. Rouhana, Jr., Chairman and Chief Executive Officer, said, "Through our stepped-up network build-out, WinStar is extending its leadership in broadband services, while accelerating the delivery of low-cost, next generation communications and information applications to business customers around the world. Together with our partners, we've achieved the necessary critical mass in terms of spectrum, infrastructure, financing, technology and management to advance our timetable in response to the fast-growing global demand for increased bandwidth. Over the next few years, millions of business users will benefit from services such as high-speed Internet access, full motion video conferencing and bandwidth on demand.

"The global market opportunity for broadband services is enormous. By being first to market, WinStar will dramatically increase the value of our network at limited real cost," Rouhana added. "We expect this competitive advantage to enable us to build substantial additional shareholder value."

The company also summarized the financial impacts of its market expansion and other initiatives. The company expects the following impacts:

- The expansion to 70 additional markets worldwide will create a value of \$3-\$4 billion, based upon a ten-year projection of discounted cash flows.
- The expansion will require an estimated EBITDA investment of \$350-\$400 million over a three-year period. The fourth quarter of 1998 will include \$25-\$35 million of this investment.
- Williams Communications' purchase of two percent of WinStar's wireless capacity along with additional WinStar services will generate an expected \$400-\$450 million in additional revenue for WinStar over the life of the agreement. It will generate an expected \$350-\$400 million in additional EBITDA to WinStar over the life of the agreement. The expected incremental cash flow to WinStar will be approximately \$400 million over the next five years.

WinStar Communications, Inc. is a pioneer in providing business customers with broadband communications services, including local and long distance phone service, as well as high-speed data, Internet access and information services. WinStar provides these Wireless FiberSM services over its own end-to-end broadband network in 30 U.S. markets, using its licenses in the 28 and 38 GHz spectrum.

Except for any historical information contained herein, the matters discussed in this press release contain forward-looking statements that involve risks and uncertainties, which are described in the company's SEC reports, including the 10-K for the period ended December 31, 1997 and the 10-Q for the period ended September 30, 1998.

WinStar is a registered trademark, and Wireless Fiber is a service mark of WinStar Communications, Inc.

SBC'S SUCCESS IN OPENING ITS LOCAL MARKETS AND COMPLYING WITH THE 1996 TELECOMMUNICATIONS ACT

TABLE OF CONTENTS

1998 YEAR-END REPORT – OVERVIEW.....	1
SBC's CAPITAL AND EXPENSE INVESTMENTS TO OPEN ITS MARKETS	2
INTERCONNECTION AGREEMENTS	2
• <i>Signed Agreements:</i>	2
• <i>PUC Approved Agreements:</i>	3
• <i>Current Negotiations:</i>	3
CLECS COMPETING AGAINST SBC	3
SBC ACCESS LINES LOST TO CLECS BASED ON E-911 LISTINGS AND RESALE	3
SUMMARY TABLE OF LINES LOST—CONSERVATIVE ESTIMATE	3
REALISTIC ESTIMATE OF TOTAL COMPETITIVE LINES SERVED BY CLECS	4
SBC HAS MADE RESALE AVAILABLE	4
FACILITIES-BASED COMPETITION STATUS:	5
CLEC E-911 NUMBERS—BEST CONSERVATIVE INDICATOR OF FACILITIES-BASED COMPETITION	5
NUMBERS PORTED—ANOTHER INDICATOR OF FACILITIES-BASED COMPETITION	6
MINUTES EXCHANGED – ANOTHER INDICATOR THAT SBC'S NETWORKS ARE OPEN	6
LINES, INTERCONNECTION AND OTHER FACILITIES-BASED PRODUCTS PROVIDED BY SBC TO CLECS	6
• <i>Interconnection Trunks:</i>	6
• <i>Unbundled Loops:</i>	7
• <i>CLEC Collocation Arrangements:</i>	7
• <i>E-911 Trunks:</i>	7
• <i>DA/OS Trunks:</i>	7
TELEPHONE NUMBERS REQUESTED BY AND ASSIGNED TO CLECS	7
ACCESS TO SBC WHITE PAGE DIRECTORIES	7
ACCESS TO SBC POLES AND CONDUITS	7
CLEC ORDERS HANDLED BY SBC'S OSS AND LOCAL SERVICE CENTERS	7
PERFORMANCE MEASUREMENTS	8
CONCLUSION	8

**SBC'S SUCCESS IN OPENING ITS LOCAL MARKETS AND
COMPLYING WITH THE 1996 TELECOMMUNICATIONS ACT**

1998 Year-end Report -- Overview

SBC has dedicated significant resources and investment to open its markets to local competition and to comply with all requirements contained in the 1996 Telecommunications Act. SBC is committed from the highest levels of the company to open its local networks to enable others to enter the local exchange telecommunications markets in which SBC operates. As described in detail below and demonstrated in the attached checklist provisioning status report, SBC's local exchange companies (Southwestern Bell Telephone, Pacific Bell and Nevada Bell) have made available products, services and systems required by Section 251 and the competitive checklist of the 1996 Act, and competitive local exchange carriers ("CLECs") or local wholesale customers have ordered and are actually using each of the 14 competitive checklist services and products to provide local service in all seven SBC states.

There is irrefutable evidence that new entrants are obtaining the network elements that they need from SBC to provide local service, that they are providing such exchange services to end users and that their ability to enter the market is unambiguous. SBC has lost more access lines to its local wholesale customers than any other LEC in the country and in May, 1998 became the first RBOC to lose more than one million lines to CLECs. Taken together, these data demonstrate that barriers to entry into the local market in SBC's states have been eliminated, that competitive entry is occurring and that all 14 checklist items are legally and practically available to CLECs that want them. CLECs have obtained a minimum of 1.4 million to 2.2 million resold and facilities-based lines in SBC's states. As described below, the 1.4 million lost lines figure is a minimum and clearly understated number and the 2.2 million figure is a realistic estimate based on very conservative assumptions. Of the approximately 2.2 million lines obtained by CLECs, approximately 795,000 were resale lines and an estimated 1.4 million lines were captured by facilities-based carriers. These lost lines, moreover, represent a disproportionate revenue loss since the major long distance carriers and CLECs have publicly acknowledged that they have targeted the more profitable "high value" heavy users. As a result of SBC's compliance efforts, CLECs now can use resale, interconnection or unbundled network elements to compete for and take SBC customers.

In the face of undeniable market facts, it is clear that SBC has opened its markets to local competition and made available the statutorily required 14 point checklist items. The numbers are clear and irrefutable. For example, since the passage of the FTA, not only has SBC lost over 2.2 million lines to CLECs, but through the end of December, 1998:

- SBC has also signed 482 interconnection agreements with local wholesale customers and 358 of these agreements have been approved by state PUCs
- 286 CLECs are operational and have passed local orders to SBC
- 124 CLECs are using SWBT's Directory Assistance and Call Completion Services
- More than 3.9 million CLEC service orders have been processed without a backlog
- Over 629,000 CLEC customers are listed in SBC's White Pages
- More than 540,700 trunks have been provisioned to CLECs (with a call carrying capacity of 4.3 million lines and it is estimated that each of these trunks supports at least 2.75 CLEC lines)
- 124,000 lines have been converted to CLECs via interim number portability and LNP
- 58,000 unbundled loops have been provisioned
- 1,100 operational physical collocation cages have been provided to CLECs
- 32.7 million telephone numbers have been provided to CLECs for facilities-based use

- More than 25 billion minutes of local and Internet traffic have been exchanged between SBC and CLEC networks

Moreover, SBC has developed and implemented more than 65 performance measurements in each of its seven states covering all aspects of its relationships with CLECs. These measurements mirror precisely the model performance measurements advocated by the U.S. Department of Justice. The results generated from these measurements demonstrate that SBC is providing CLECs with checklist items in substantially the same time and manner that it providing such services to itself. Thus, the IXCs' and CLECs' argument that SBC has not lost the required number of local customers is an intentional mischaracterization of the Act, as conceded by the DOJ and the FCC. Both of these agencies acknowledge that there is no market share loss or metric test required by the Act. The only statutorily required test is embodied in the competitive checklist and irrefutable market facts confirm that SBC has made available the checklist items.

The fact that CLECs have obtained over two million lines from SBC is compelling evidence that SBC has opened its markets to competition. In light of the market facts, listed above, it is clear that many of the isolated, anecdotal, outdated and unrepresentative complaints raised by the major long distance carriers are self-serving and have less to do with whether SBC has actually made available specific checklist items in an appropriate manner and more to do with protecting their long distance market shares and profits from the increased competition that would result from SBC entering that market. Moreover, isolated and anecdotal complaints raised by other CLECs must also be put in context since it is in their self-interest to delay SBC's entry into the long distance market for as long as possible so that they can continue to use the 271 process as leverage to obtain additional advantages from regulators and to target and offer one-stop shopping to high profit business customers while SBC is denied the ability to offer comparable full-service bundles of services to business and residential customers. Notwithstanding the extraordinary efforts it has made to date to open its markets, SBC is continuing to make improvements in its procedures and systems.

SBC's Capital and Expense Investments To Open Its Markets

- Since the passage of the 1996 Act on February 6, 1996, SBC has devoted significant financial, technical and personnel resources to implement the market- and network-opening requirements of Sections 251 and 252 of the Act. SBC management and employees have made extraordinary efforts to open SBC's networks to competitors. SBC has incurred more than \$1.2 billion in expense and capital expenditures and devoted more than 3,300 employees to implement the Act and open its local markets to competition – including but not limited to operational support systems, number portability, trunking, local service centers, equipment, computer hardware, software and manpower. Of these expenditures, Pacific Bell and Nevada Bell have spent more than \$702 million and SWBT has expended more than \$493 million. By the end of 1998, SBC estimates that it will have spent a total of \$1.3 billion making certain it meets the requirements of the Act.

Interconnection Agreements

- **Signed Agreements:**

SBC and CLECs have signed 482 interconnection and resale agreements within SBC's seven-state service area. In addition, 580 CLECs have received PUC approved certificates to provide local service in SBC states. The good faith associated with SBC's negotiation of interconnection agreements with CLECs is illustrated by the fact that the parties voluntarily consummated 482 agreements and only 26 arbitrations were required. In excess of 90 percent of the agreements approved by PUCs have never been appealed, they are in force, and CLECs have access to all of their terms and conditions.

- **PUC Approved Agreements:**

The various state commissions have approved 358 SBC-CLEC interconnection and resale agreements. These approved agreements give the CLECs everything they say they need to provide local services and compete against SBC. There are a large number of PUC approved agreements in each of SBC's states: Texas: 148; California: 41; Kansas: 45; Arkansas: 38; Oklahoma: 33; Missouri: 36; and Nevada: 17 approved agreements.

- **Current Negotiations:**

SBC currently is in the process of negotiating more than 687 additional interconnection, resale and combination interconnection agreements.

CLECs Competing Against SBC

- As of the end of September 1998, 286 CLECs were operational in SBC's territory and passing resale, interconnection or UNE orders to SBC. 128 CLECs were passing orders in Texas alone.

SBC Access Lines Lost to CLECs Based on E-911 Listings and Resale

- Through the end of December 1998, 1.4 million access lines have been captured by CLECs through resale or through the establishment of new facilities-based service (based on E-911 by CLECs in SBC's seven-state service area). Approximately 795,000 SBC lines have been resold by CLECs and approximately 626,000 additional customers are being served on a facilities-basis (as indicated by CLEC E-911 listings) by CLECs in SBC's territory. As described below this is a conservative and minimum number of lines served by CLECs.

SUMMARY TABLE OF LINES LOST—CONSERVATIVE ESTIMATE

A conservative and understated estimate of the approximate number of lines lost to CLECs in SBC's 7 states on a resale and facilities-basis (using E-911 listings as the indicator) is:

	Resale Total	Resale Residential	Resale Business	Resale Priv. Coin	Facilities Based Lines	Total Lines Lost
a) California:	268,439	126,710	132,373	9,356	439,465	707,904
b) Texas:	350,938	203,270	132,908	14,760	115,599	466,537
c) Kansas:	76,159	32,145	44,004	10	3,249	79,408
d) Oklahoma:	40,157	27,841	11,269	1,047	26,135	66,292
e) Missouri:	38,523	19,090	19,382	51	11,768	50,291
f) Arkansas:	18,399	15,173	3,207	19	14,387	32,786
g) Nevada:	2,597	398	21,99	0	15,914	18,511
RESOLD LINES:	795,212	424,627	345,342	25,243		
FACIL-BASED LINES LOST:					626,517	
SBC TOTAL LINES LOST:						1,421,729

REALISTIC ESTIMATE OF TOTAL COMPETITIVE LINES SERVED BY CLECS

It is also possible to estimate how many lines are being served by facilities-based carriers by calculating the "estimated bypass" associated with the interconnection trunks that have been provided to CLECs. Facilities-based CLECs do not order trunks unless they have local lines and traffic to support and utilize such trunks. Based on past engineering experience, most LECs would estimate that every trunk could support approximately ten facilities-based lines. Since CLEC networks may not be engineered for maximum efficiency and since CLECs are disproportionately serving heavy use Internet lines, we have made the very conservative assumption that CLEC trunks are serving only 2.75 facilities-based lines per end-office interconnection trunk. Using, this conservative methodology demonstrates that CLECs are serving approximately 2.2 million lines in SBC's states (i.e., 795,000 resold lines and an estimated 1.4 million facilities-based lines). The following chart illustrates the number of resold and bypass facilities-based lines that are being served by CLECs in SBC's seven states:

	Resold <u>Lines</u>	Unbundled <u>Loops</u>	Total Lines Provided <u>By SBC</u>	Interconnection <u>Trunks</u>	Estimated Bypass <u>Lines¹</u>	Total Competitive Lines served by <u>CLECs</u>
California	268,439	40,403	308,842	346,602	912,752	1,181,191
Texas	350,938	6,485	357,423	139,513	377,175	728,113
Missouri	38,523	2,009	40,532	23,273	61,991	100,514
Kansas	76,159	399	76,558	5,990	16,073	92,232
Oklahoma	40,157	1,746	41,903	14,779	38,896	79,053
Arkansas	18,399	2,995	21,394	7,340	17,190	35,589
Nevada	2,597	4,070	6,667	3,216	4,774	7,371
TOTAL	795,212	58,107	853,319	540,713	1,428,851	2,224,063

SBC has made Resale available

- Given that CLECs now resell more than 795,000 lines in SBC's territory, there can be no dispute that resale of local service is available and significant in SBC's territory. SBC has demonstrated that it has made resale available and that its OSS can process CLEC resale orders in an accurate and timely manner without any backlogs. For example, in the last four months of 1997 (before AT&T and MCI unilaterally decided to abandon residential resale competition), SBC processed an average of 60,000 resale orders in each of these four months without a backlog. These numbers confirm that SBC has developed state-of-the art operational OSS that can handle large volumes of CLEC resale orders in an accurate, timely and non-discriminatory manner.
- Resale activity has changed and slowed since April 1999 as AT&T and MCI continued there efforts to redline the residential resale market. First, beginning in April, there was a noticeable

¹ Bypass estimate assumes 2.75 lines per interconnection trunk minus the number of Unbundled Loops. This number represents the estimated number of bypass lines served by facilities-based carriers in SBC's seven states.

shift by CLECs from residential to business customers. Prior to April, CLECs had used resale to serve more residential than business customers. After April, CLECs shifted their efforts to use resale to serve business customers, almost to the exclusion of residential customers. For example, prior to April, 66 percent of the 615,000 resale lines in SBC's states served residential customers and 34 percent served business customers. Between April and September, the trend reversed and CLECs used resale to serve business customers almost exclusively (e.g., during that period, CLECs obtained 100,000 business resale lines compared to only 10,000 net residential lines). Second, between March and September, CLECs have almost completely abandoned the residential resale market in California. Prior to March, CLECs served more than 145,000 resale lines in California, but from March to September, cumulative residential resale lines in California declined by more than 25,500 lines as a result of publicly acknowledged decisions by AT&T and MCI to stop signing up new residential resale customers in California and by encouraging their existing resale customers to switch to other carriers. Nevertheless, even if the major IXCs chose for their own strategic, internal business and regulatory reasons not to take advantage of the residential resale option made available to them by SBC because they do not like the resale pricing discounts required by the 1996 Act and approved by the PUCs, there can be no dispute that SBC has met its obligations under the Act to make resale available to its local wholesale customers. The figures listed above demonstrate that SBC has made available to CLECs all the systems and services they need to compete on a resale basis in each of SBC's states. In all of SBC's states, competitors can sign-up any or all resale customers in those states for their local service as easily as they sign-up long distance customers.

FACILITIES-BASED COMPETITION STATUS:

Facilities-based competition in SBC's states is substantial and has increased dramatically in recent months. CLECs are serving a minimum of 626,000 to 1.4 million lines on a facilities-basis in SBC's territory. The following market facts demonstrate that SBC has opened its local markets to competition and that in addition to making resale available to competitors, SBC is also providing CLECs with the facilities and network elements they need from SBC in order to compete on a facilities-basis in the local exchange market. Information is not available to SBC to identify with precision the full extent of facilities-based competition in each of its states. Available indicators underestimate the extent of facilities-based competition and are imperfect measures of competitive entry because each captures only that part of entry that requires action by SBC and does not capture the extent of facilities-based self-supply being undertaken by CLECs. Nevertheless, a review of available indicators (e.g. CLEC E-911 listings and lines served by Interconnection Trunks) demonstrate that there is significant and growing facilities-based competition in SBC's states and that a minimum of 626,000 lines are being served by facilities-based carriers and that a more realistic estimate is that an estimated 1.4 million lines are being served on a facilities-basis by CLECs in SBC's states.

CLEC E-911 Numbers—Best Conservative Indicator of Facilities-Based Competition

- CLEC listings in the E-911 database is the best conservative available indicator of the minimum number of access lines being served on a facilities basis by facilities-based carriers. These numbers, however, underestimate the actual number of facilities-based lines being provided by CLECs because many businesses only use a single number or a few numbers to serve a large group of access lines. Nevertheless, the E-911 listings show that CLECs serve a minimum of 626,000 lines in SBC's 7 states on a facilities-basis. Specifically, CLECs have requested E-911 service for 626,517 lines from their own NXX Codes that were assigned to them to provide facilities-based service.
- In California alone, 14 facilities-based carriers serve approximately 439,465 lines on a facilities basis (based on E-911 listings). CLEC E-911 listings indicate that there is at least the following number of lines being served on a facilities-basis in the other SBC states: Texas: 115,599;

Oklahoma: 26,135; Nevada: 15,914; Arkansas: 14,387; Missouri: 11,768; and Kansas: 3,249 facilities-based lines.

- See above for a description of the 2.2 million facilities-based lost lines estimate based on interconnection trunks being used by CLECs.

Numbers Ported—Another Indicator of Facilities-Based Competition

- More than 227,000 existing SBC lines have been ported via interim number portability (102,891 lines) and long-term number portability (124,703 lines) to facilities-based competitors in each of SBC's seven states. CLECs have chosen to port mostly business lines, but the same basic processes and procedures can be used to port residential lines. This is one indicator of facilities-based competition that has occurred in SBC's seven states, but it underestimates the actual amount of facilities-based competition that has occurred. Each of the numbers ported represents conversion of an existing line from SBC to a facilities-based CLEC provider. It should be noted, however, that lines do not have to be ported when CLECs serve new lines/customers on a facilities-traffic.

Minutes Exchanged – Another Indicator That SBC's Networks Are Open

- The fact that more than 25 billion minutes of local and internet traffic has been exchanged between SBC and CLEC networks is compelling evidence that SBC has opened its networks and has met the competitive checklist. Reciprocal compensation minutes of use is an indicator that demonstrates that actual local traffic is being exchanged between CLECs and SBC. A substantial amount of local traffic has been exchanged between SBC and CLECs, with most of that traffic (and the corresponding reciprocal compensation) going from SBC to the CLECs. For example, approximately 7.3 billion minutes of local traffic (excluding Internet traffic) has been exchanged between SWBT/Pacific Bell/Nevada Bell and CLECs over interconnection trunks. More than 80% of this local traffic has been exchanged from SBC to CLEC networks. It should be noted, that these minutes do not capture all local minutes being generated by CLECs because they do not include CLEC-to-CLEC traffic or on-net (i.e., intra-CLEC) traffic.
- In addition, the fact that an additional 18 billion minutes of Internet traffic has been exchanged between SBC and CLEC networks also demonstrates that SBC's networks have been opened to competition. The 25 billion minutes of local and Internet minutes-of-use exchanged between SBC and CLEC Networks confirm that SBC's networks are open to and connect with CLEC networks.

UNEs, Interconnection and Other Facilities-Based Products Provided By SBC to CLECs

• **Interconnection Trunks:**

SBC's provisioning of local interconnection trunks is an indicator that the interconnection checklist requirement has been met and that actual local exchange traffic is being exchanged between CLECs and SBC. SBC has provisioned approximately 540,700 one-and two-way interconnection trunks to CLECs in SBC's seven-state service area. This represents the call carrying capacity on the local service provider networks for 5.4 million lines. Moreover, as described above, facilities-based carriers do not order trunks from SBC unless they have local lines and traffic to utilize such trunks. It can be conservatively estimated that each trunk being used by a CLEC is supporting at least 2.75 facilities-based lines being provided by that CLEC. These trunks allow CLECs to connect their networks and customers to SBC's network. The following number of trunks were provided by SBC to CLECs: California: 346,602 trunks; Texas: 139,513; Oklahoma: 14,779; Missouri: 23,273; Arkansas: 7,340; Kansas: 5,990; and Nevada: 3,216 trunks.

- **Unbundled Loops:**

Unbundled loops are the direct connection between the local network and customer's premises. CLECs can provision loops themselves, or they can lease unbundled loops from SBC or other suppliers. Because CLECs can self-provision loops, the number of unbundled loops provided by SBC understates the extent of existing facilities-based competition. Nevertheless, approximately 58,000 unbundled loops have been provisioned by SBC to CLECs in SBC's seven states.

- **CLEC Collocation Arrangements:**

Collocation is an important measure of competitive facilities-based presence because once a competitor is collocated in an SBC central office it has access to every loop connected to that central office. 1,101 physical collocation arrangements are operational in SBC's seven-state service area -- 283 of these are in SWBT's region, with 814 in California.

- 336 physical collocation arrangements (55 in SWBT and 281 in California/Nevada) are currently being worked on and pending completion.

- 121 virtual collocation arrangements are operational in SWBT's five-state territory.

- **E-911 Trunks:**

CLECs have requested and SBC has provisioned 1,124 operational E-911 trunks to facilities-based CLECs in SBC's seven-state service area. Of this number, 777 are located in California and 341 are in SWBT states.

- **DA/OS Trunks:**

More than 1,612 Directory/Operator Assistance trunks have been provisioned by SWBT to CLECs in the five SWBT states. More than 120 CLECs are using SWBT's Directory Assistance and "O" Call Completion services.

Telephone Numbers Requested By and Assigned to CLECs

- Over 3,200 NXX codes (each code representing 10,000 numbers) have been assigned to facilities-based CLECs in SBC's seven-state service area, with an additional 320 assignments pending. In other words, CLECs have requested and SBC has assigned 32.6 million telephone numbers to CLECs in its seven states; more than 18.7 million numbers have been requested by CLECs in California and an additional 13.9 million numbers have been requested in SWBT's five states.

- **Access to SBC White Page Directories**

- CLEC information can be included in all SBC White Page directories in SBC's seven state service areas. SBC has provided more than 629,000 white page listings for its local wholesale customers. Of these listings, 429,000 have been in SWBT states and 197,00 in California.

Access to SBC Poles and Conduits

- SBC has provided competitors with access to more than 374,000 of its poles and approximately 8.7 million feet of conduit space for their use to compete against SBC in its seven states.

CLEC Orders Handled by SBC's OSS and Local Service Centers

- Since the 1996 Act passed, SBC's OSS and Local Service Center personnel have handled more than 3.9 million service orders from CLECs to order facilities, network elements and resold or second lines for their customers, change or add vertical services etc. More than 2.9 million orders from CLECs have been processed in the SWBT five-state region and approximately 1,000,000 orders have been processed in California/Nevada. The fact that SWBT processed more than 1.2 million orders in 1997, and an additional 2.7 million orders in 1998, without a backlog, is strong

evidence that SBC has developed state-of-the-art OSS and that these systems are being used by CLECs to compete in the local market against SWBT. Orders are also being processed in California in a similar timely and accurate manner without any backlogs.

- SBC also demonstrated in Texas that its OSS (which is the same system used in all five SWBT states) could handle large increases in volumes from CLECs. Over 2.1 million CLEC service orders in Texas have been processed. SBC's OSS and Local Service Centers have handled the increased volume of service orders without experiencing a backlog.

Performance Measurements

- SBC has also developed and implemented more than 65 performance measurements that cover all aspects of its relationships with CLECs in all seven SBC states. These measurements mirror and fully comply with the model set of measurements advocated by the U.S. Department of Justice. SBC's performance measurements cover each of the five recognized OSS functions (i.e., preordering, ordering, provisioning, maintenance and repair, and billing).
- The results generated by these performance measurements compare SBC and CLEC performance for each of the measurements and these results confirm that SBC is providing each of the 14 competitive checklist items in substantially the same time and manner that is it providing such services to itself.

Conclusion

- The resale, interconnection, facilities-based and OSS-related numbers listed above provide compelling evidence that SBC has opened each of its seven states to resale and facilities-based competition and that SBC provides its local wholesale customers with the systems and services they need to compete and capture SBC's local customers.
- The record confirms that CLECs have captured over 2.2 million resold and facilities-based lines in SBC's states, that CLECs have obtained millions of checklist products from SBC, that SBC has provided CLECs with practical and real access to all 14 competitive checklist items and that SBC has opened its local markets to competition.
- IXCs and CLECs who have made a strategic decision not to invest or compete in SBC's local markets on a broad-scale or facilities basis, particularly the residential market, are doing so for their own economic, regulatory and business reasons, not because they are unable to obtain competitive checklist products and services from SBC. CLECs who do want to compete on either a resale or facilities-basis in SBC's territory for business or residential customers can provide and are, in fact, already providing such local services in direct competition with SBC.

10/28/98 Report Date
Data through 9/98 unless otherwise noted

SBC's Section 251 / Checklist Provisioning Status

Data Through: 12/98 (unless otherwise noted)
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Green, Italicized, Bolded data is corrected from previous edition.

Date Published: 1/20/99

#	CHECKLIST DESCRIPTION	PRODUCTS PROVIDED	AR	KS	MO	OK	TX	SWBT's 5 States	CA	NV	SBC TOTAL
1	Interconnection for the transmission and routing of telephone exchange service and exchange access at any technically feasible point within the carrier's network.	Total Interconnection Trunks Provided to CLECs (see Item #7 for more trunk information) One Way Trunks (SBC to CLEC) One Way Trunks (CLEC to SBC) Two Way Trunks Physical Collocation * s/o 1/15/99 Operational Cages Pending Cages Virtual Collocation * s/o 1/15/99 # CLEC Occurrences Operational Arrangements Pending Arrangements Number of Collocated Wire Centers	7,340 5,268 954 1,008 10 1 2 8 8 0 3	5,900 2,740 700 2,460 9 2 8 8 8 9	23,273 8,568 2,581 12,164 34 2 8 13 0 20	14,779 90,924 2,247 1,600 23 0 5 9 0 18	139,513 58,297 18,981 61,225 207 50 36 85 101 66	190,895 65,807 28,543 78,545 283 66 57 121 101 117	346,602 11,800 1,322 333,480 844 281 1 0 1 194	3,210 0 0 3,210 4 0 0 0 0 3	540,713 97,607 27,865 415,241 1,901 338 58 121 102 314
2	Non discriminatory access to network elements. (In addition, See Items 3-8 below)	Number of CLECs passing orders in 1998 Total orders processed (2/8/98 - 12/98) ** Manual Electronic Total orders processed in 1997 ** Manual Electronic Total orders processed in 1996 ** Manual Electronic Total orders processed in December 1998 ** Manual Electronic	145,788 134,237 11,520 19,035 19,035 0 128,731 115,202 11,528 13,848 12,740 1,053	224,890 154,380 74,804 41,478 28,972 12,504 187,514 125,417 62,447 23,498 98,390 8,880	155,426 86,870 66,485 6,386 6,386 87 148,028 80,657 60,348 23,560 17,546 8,015	908,150 172,111 28,047 22,837 20,408 2,424 176,322 151,888 23,623 18,117 15,250 2,887	2,177,093 1,788,215 487,879 841,698 495,977 146,021 1,494,391 1,172,534 321,857 150,928 123,172 38,768	2,905,432 2,238,922 848,510 730,837 680,801 181,030 2,132,983 1,845,508 487,474 240,913 187,353 53,568	999,727 100% in 1998 294,770 518,182 -80% -20% 413,368 220,588 192,770 28,235 20,328 7,908	7,814 7,814 0 3,619 3,619 0 4,303 4,303 0 340 360 0	3,012,973 843,280 1,250,510 2,550,654 1,878,418 886,244 289,534 208,088 81,488
3	Non discriminatory access to poles, ducts, conduits and rights of way.	Total Number of Poles Attached (Note 1) Total Feet of Duct Occupied (Note 1)	284 293,903	58 13,214	384 83,902	186 89,148	2,987 962,812	3,067 1,433,111	370,068 7,234,850	608 18,225	374,656 8,845,980
4	Local loop transmission from the central office to the customer's premises, unbundled from local switching or other services.	Unbundled Loops	2,955	399	2,009	1,745	6,485	13,634	40,403	4,070	68,107
5	Local transport from the trunk side of a wireline local exchange carrier switch unbundled from switching or other services.	Unbundled Transport Dedicated Transport Available? Shared Transport Available?	Yes Yes	Yes Yes	Yes Yes	Yes Yes	Yes Yes	Yes Yes	Yes Yes	Yes Yes	Yes Yes
6	Local switching unbundled from transport, local loop transmission or other services.	Unbundled Switch Ports	0	0	0	0	1,978	1,440	100	0	3,698
7	Non discriminatory access to 811 and E911, directory assistance, and operator call completion services.	E911 Trunks (not included in Item 1 Total) DVAOA Trunks (not included in Item 1 Total) *** CLECs using Directory Assistance Service (Note 2) CLECs using "W" Call Completion Service (Note 2) Are CLECs offered E-911 service directly to government bodies or interconnecting with SBC's existing service arrangements? Number of Facilities Based CLEC End User E-911 Listings SWBT Residential Business Total	20 89 12 12 Yes 401 13,446 14,387	38 6 19 17 Yes 2 3,247 3,249	28 119 23 21 Yes 7 11,781 11,789	20 65 13 12 Yes 81 28,074 28,135	239 1,023 113 110 Yes 8,131 907,498 116,508	341 1,321 124 123 Yes 8,607 162,536 171,138	777 273 Data Not Available Data Not Available Yes Res/Dua Split Not Available 438,483	6 18 Data Not Available Data Not Available Yes 15,814	1,124 1,812 1,124 1,812 Yes 8,602 162,536 628,517

SBC's Section 251 / Checklist Provisioning Status

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Shaded data through 11/98 (unless otherwise noted)			Green, Italicized, Bolded data is corrected from previous edition.								
#	CHECKLIST DESCRIPTION	PRODUCTS PROVIDED	AR	KS	MO	OK	TX	SWBT's 5 States	CA	NV	SBC TOTAL
		----- Total Competitive Lines Served by CLECs (Including Estimated Bypass Lines)	35,509	82,233	100,813	74,053	728,114	1,035,543	1,181,192	7,371	2,224,800
8	White pages directory listing for customers of other carrier's telephone exchange service.	Number of CLEC End User White Pages Listings									
		Resale	16,312	64,203	30,897	36,748	275,782	423,842	163,328	1,178	588,440
		Facilities Based	1,453	286	806	1,335	1,740	6,738	34,005	980	40,704
		Total	17,765	64,489	31,703	38,083	277,522	429,581	197,333	2,139	629,153
9	Nondiscriminatory access to telephone numbers for assignment to the other carrier's telephone exchange service customers.	Telephone Numbers Provided to CLECs (Note 3)									
		Numbers Assigned	180,000	680,000	2,040,000	760,000	10,330,000	13,930,000	18,730,000	30,000	32,890,000
		Numbers Pending Assignment	0	0	10,000	0	120,000	130,000	3,160,000	0	3,290,000
10	Nondiscriminatory access to databases and associated signaling necessary for call routing and completion.	Access to 800, Line Information Database (LIDB), Calling Name Delivery Database (CNAM), and SS7 Signaling Network Available?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
11	Interline number portability through RCF or DID trunks. Each line ported represents conversion of an existing line from SBC to a facilities-based provider.	Numbers Ported to CLECs via INP									
		Residential Lines	302	0	3	1	65	361	2,119	0	2,480
		Business Lines	6,469	1,168	2,200	18,481	27,440	32,738	38,238	8,435	100,411
		Total	6,771	1,168	2,203	18,482	27,495	33,099	41,357	8,435	102,891
		Numbers Ported to CLECs via LNP									
		-Total In-Service Port Outs	49	520	2,250	1,788	84,811	80,518	55,185	0	124,703
12	Nondiscriminatory access to services and information required to allow implementation of dialing parity.	Are additional access codes or digits needed to complete local calls to or from CLEC customers?	No	No	No	No	No	No	No	No	No
		IntraLATA toll dialing parity available concurrent with SBC's provision of interexchange service?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
13	Reciprocal compensation arrangements (Note 4) ***	Local and EAS Minutes of Use Exchanged Over Interconnection Trunks Since 1/1/97 (in Millions)									
		From SBC to CLEC	63.7	9.4	62.2	228.1	483.6	848.0	4,921.7	51.8	6,021.5
		From CLEC to SBC	19.3	0.0	0.8	15.4	435.2	490.7	1,007.4	0.0	1,498.1
		(CA - does not incl. Jan-98)									
		Total	83.0	9.4	63.0	244.5	938.8	1,338.7	6,929.1	51.8	7,519.6
		Local and EAS Minutes of Use Exchanged Over Interconnection Trunks in October 1998 (in Millions)									
		From SBC to CLEC	6.9	1.2	3.0	19.1	53.5	82.7	500.2	5.8	597.7
		From CLEC to SBC	2.8	0.0	0.0	0.0	41.7	44.3	83.9	0.0	128.2
		Total	8.5	1.2	3.0	19.1	95.2	127.0	584.1	5.8	726.0
		Local and EAS Minutes of Use Exchanged Over Interconnection Trunks in November 1998 (in Millions)									
		From SBC to CLEC	15.8	1.2	3.3	17.9	40.3	78.3	470.8	5.0	563.1
		From CLEC to SBC	0.2	0.0	0.3	1.4	48.8	48.7	87.6	0.0	138.3
		Total	16.0	1.2	3.6	19.3	89.1	127.0	558.4	5.0	701.4
14	Offering for resale at wholesale prices any telecommunications services offered at retail to subscribers who are not themselves carriers.	Resale Access Lines									
		Business Lines (Simple and Complex)	3,207	44,604	19,382	11,289	132,948	210,770	132,373	2,199	345,342
		Private Coin Lines	19	10	51	1,047	14,780	15,887	0,356	0	25,243
		Residential Lines	15,173	32,145	19,090	27,841	283,270	297,519	128,790	388	424,827
		Total	18,399	76,159	38,523	40,157	350,938	524,176	261,439	2,587	795,212

Note 1: CA and NV data updated bi-annually. CA Total Fee of Duct Occupied reflects both CXC and CLEC facilities.
 Note 2: SWBT total counts each CLEC once, although it may appear in multiple states and as both a facilities based and resale provider.
 Note 3: Each XXX Code equals 10,000 telephone numbers.
 Note 4: Totals do not include disputed Internet minutes of use. However, the fact that over 18,430 minutes of Internet traffic have been exchanged between SBC and CLEC networks since 1997 also demonstrates that SBC's networks have been opened to competition. SWBT totals include only Local and Optional EAS traffic. PRI 1997 totals also include IntraLATA toll.

* Count now reflects number of cages for all SBC States. Prior to 7-98 report, only the single instance of collocation by CLEC by wire center was counted for SWBT's States.
 ** CA Order Volumes reflect a true-up to include resale and previously unrecorded facilities-based activity (Facilities-based data taken from the Carrier Report).
 *** KS does have OADVA trunks, but they appear in MO as they serve both MO and KS.
 **** Represents only that traffic for which originating records have been exchanged.

SBC's Section 251 / Checklist Provisioning Status

Data through: 12/98 (unless otherwise noted)
 Shaded data through 11/98 (unless otherwise noted)

Date Produced: 1/20/99

Green, *italicized*, **bolded** data is corrected from previous edition.

#	CHECKLIST DESCRIPTION	PRODUCTS PROVIDED	AR	KS	MO	OK	TX	SWBT's 6 States	CA	NV	SBC TOTAL
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MOU data is now reported one month in arrears.

****Bypass estimate assumes 2.75 lines per interconnection trunk minus the number of Unbundled Loops. This number represents the estimated number of bypass lines served by facilities-based carriers in SBC's seven states.

CLECs with Certifications s/o 1/20/99		AR	KS	MO	OK	TX	SWBT's 6 States	CA	NV	SBC TOTAL
	Number Approved	39	71	58	58	164	308	134	60	680
	Number Pending	22	8	22	18	10	78	20	2	98
CLEC Interconnection Agreements s/o 1/5/99		AR	KS	MO	OK	TX	SWBT's 6 States	CA	NV	SBC TOTAL
	Number Signed	54	86	81	52	175	397	88	19	482
	Number Approved	38	45	36	33	148	300	41	17	358
	Number of Arbitrations Completed									
	Number of Arbitrations in Progress									
	Number Under Negotiation	63	81	100	87	182	633	88	65	887


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Yankee Group Finds That Small and Medium Businesses Prefer Their Long Distance Provider Over Their Local Carrier: *Customer Loyalty, Quality of Service, and Advanced Services Favor Long Distance Providers*

Boston, Mass., November 23, 1998

A recent survey of more than 750 decision makers in U.S.-based small and medium businesses (SMBs) conducted by the Yankee Group suggests that long-distance telephone carriers may be able to capture market share from local telephone providers based on critical issues such as customer loyalty, quality of service and the need for new and advanced telecommunications services. The lucrative SMB market comprises over 10 million companies whose average self-reported monthly spending ranges from an average of \$220 for small businesses (2-99 employees) to \$2,800 for medium businesses (100-499 employees).

Among these companies, the Yankee Group survey disclosed a surprising lack of loyalty to incumbent local exchange carriers (LECs) with between 29 percent and 46 percent of companies reporting that their local carriers had not earned their loyalty.

"We were surprised by these findings, because logic would suggest that smaller, local businesses prefer dealing with local partners. Even though an average of 62 percent of SMBs reported loyalty to the LEC, these results fell far short of the loyalty ratings received by the long-distance providers. This should come as a wake-up call to the local providers," said Michael Lauricella, Yankee Group analyst. "Without strong positive sentiment for the incumbent provider, these small and medium businesses are showing that they are receptive to better, more complete offerings from competitive carriers."

Most SMBs have the perception that their long-distance carrier is more capable of delivering a bundled package of services than their local carrier. These findings suggest that in an environment of full-fledged local competition, the long-distance providers may have an early advantage, most notably because SMBs believe that they provide higher quality of service and are better able to move them to the advanced services they will require in the future.

"Quality of service is clearly a main contributor to small and medium businesses' willingness to consider competitive suppliers," Lauricella said. "In fact, among the companies we surveyed about their satisfaction with prices, customer care, reliable service and problem resolution, there was as much as a 15 percent preference for long-distance providers." *About the Yankee Group* Established in Boston, Massachusetts in 1970, The Yankee Group (a subsidiary of Primark Corporation) is an internationally recognized leader in strategic planning, technology forecasting, and market research. The Yankee Group focuses its research on communications and computing systems for business and consumer uses. Industry-specific services also focus on key verticals like energy, media, and entertainment. Leveraging this core research, the Yankee Group partners with its clients as they develop business initiatives based on a critical assessment of markets and requirements. With over 700 clients, worldwide, the Yankee Group employs a highly interactive relationship to continuously deliver actionable insight and analysis.

Primark Corporation (NYSE/PSE:PMK) is a global information services organization headquartered in Waltham, Massachusetts. Primark provides financial, economic, and market research information services to the financial, corporate and government markets. Additional information is available at <http://www.primark.com>.

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Exhibit 13

SBC Territory

TEXAS

1	SBC COMMUNICATIONS
2	Exxon
3	JC Penney
4	Enron
5	AMR
6	EDS
7	Sysco
8	NGC
9	Kimberley-Clark
10	Dell
11	Union Pacific
12	TX Instruments
13	Coastal
14	American General
15	Halliburton
16	Diamond Shamrock
17	Burlington Northern--Santa Fe
18	TX Utilities
19	Dresser Industries
20	USAA
21	Continental
22	Houston Industries
23	Browning-Ferris
24	El Paso Natural Gas
25	Tandy
26	Cooper Industries
27	Central and South West
28	CompUSA
29	Southwest Airlines
30	Centex
31	Baker Hughes
32	Temple-Inland
33	Lyondell Petrochemical
34	Western Atlas
35	Maxxam

CALIFORNIA

1	Hewlett Packard
2	Chevron
3	Intel
4	BankAmerica
5	Safeway
6	Walt Disney
7	Atlantic Richfield
8	Ingram Micro
9	PG&E
10	Fluor
11	McKesson
12	Rockwell International
13	Bergin Brunswick
14	Occidental Petroleum
15	Wells Fargo
16	Edison Int'l
17	Northrop Grumman
18	Pacificare
19	Seagate
20	Tenet Healthcare
21	Sun Microsystems
22	Foundation Health Systems
23	Apple Computer
24	The Gap
25	Transamerica
26	Cisco Systems
27	Unocal
28	Wellpoint
29	Oracle
30	Computer Sciences
31	Food 4 Less
32	Quantum
33	Hilton Hotels
34	Mattel
35	Dole Food
36	CNF Transportation
37	Western Digital
38	Litton Industries
39	Applied Materials
40	Pacific Life Insurance
41	Merisel
42	HF Ahmanson
43	Soletron
44	Silicon Graphics
45	AirTouch Communications
46	Avery Dennison
47	Times Mirror
48	3Com
49	Longs DrugStores
50	Golden West Financial
51	Fleetwood Enterprises
52	Pacific Enterprises

CONNECTICUT

1	GE
2	United Technologies
3	GTE
4	Aetna
5	Xerox
6	Hartford Financial
7	Tosco
8	General Re
9	Tenneco
10	Fortune Brands
11	Union Carbide
12	Champion International
13	Praxair
14	Oxford Health Plans
15	Pitney Bowes
16	Northeast Utilities
17	Echlin
18	Phoenix Home Life Mutual Ins

MISSOURI

1	May Department Stores
2	Emerson Electric
3	Anheuser Busch
4	Monsanto
5	Farmland Industries
6	Utilicorp United
7	Ralston Purina
8	Clark USA
9	Graybar Electric
10	TWA
11	Jefferson Smurfit
12	Interstate Bakeries
13	Ameren
14	GenAmerica Corp
15	Leggett and Platt

ARKANSAS

1	Wal-Mart
2	Dillard's
3	Tyson Foods
4	ALLTEL
5	Beverly Enterprises

KANSAS

1	SPRINT
2	Yellow

OKLAHOMA

1	Phillips Petroleum
2	Fleming
3	Williams
4	Mapco

NEVADA

Ameritech Territory

ILLINOIS

1	AMERITECH
2	State Farm
3	Sears
4	Amoco
5	Motorola
6	Allstate
7	Sara Lee
8	Caterpillar
9	UAL
10	Archer Daniels Midland
11	Walgreen
12	Deere
13	Abbott Labs
14	McDonald's
15	First Chicago NBD
16	Waste Management
17	Unicom
18	RR Donnelly
19	Navistar
20	Baxter Int'l
21	Aon
22	Household International
23	FMC
24	Illinois Tool Works
25	Inland Steel Industries
26	Quaker Oats
27	Stone Container
28	Allegiance
29	VW Grainger
30	Servicemaster
31	Brunswick
32	Morton International
33	TruServ
34	Whitman
35	Newell
36	Dean Foods
37	IMC Global
38	Ace Hardware
39	USG
40	Comdisco
41	Anixter International

OHIO

1	Proctor and Gamble
2	Kroger
3	Federated Department Stores
4	Banc One
5	Goodyear
6	Nationwide Insurance
7	Cardinal Health
8	TRW
9	Limited
10	Dana
11	Eaton
12	NCR
13	KeyCorp
14	American Electric Power
15	National City Corp
16	Mead
17	Sherwin-Williams
18	Owens-Illinois
19	Progressive
20	LTV
21	Owens-Corning
22	Cinergy
23	Parker Hannifan
24	Consolidated Stores
25	American Financial Group
26	OfficeMax
27	Borden
28	BF Goodrich
29	Mercantile Stores
30	First Energy

WISCONSIN

1	Northwestern Mutual Life
2	Johnson Controls
3	Manpower
4	Case
5	American Family Insurance Group
6	Aid Association for Lutherans
7	Harnischfeger Industries
8	Kohl's

INDIANA

1	El Lilly
2	Bindley Western
3	Anthem Insurance
4	Lincoln National
5	Cummins Engine
6	Conseco

MICHIGAN

1	GM
2	Ford
3	IDM
4	Chrysler
5	K-Mart
6	Dow Chemical
7	Whirlpool
8	Lear
9	Kellogg
10	Kelly Services
11	DTE Energy
12	Masco
13	Comerica

Total Ameritech Headquartered Companies

98

Total SBC/AIT in Region HQ Companies

229

Total SBC/AIT in Region HQ Companies Less SBC/AIT, Other Telcos

224

Public Utility Commission of Texas	
Office of Customer Protection, Information and Education, 1701 N. Congress, Austin, TX 78701 Fax 512-936-7003	
Contact: Leslie Kjellstrand 512-936-7135 Margaret Wilson 512-936-7143	News Release Jan. 26, 1999

SWB's long distance bid nears finish line

(Austin, TX Jan. 26, 1999) – Southwestern Bell Telephone Company (SWB) has fully met ten of the 14-point checklist items required to win approval to enter the Texas long distance market. At the Public Utility Commission's Jan. 20 meeting, commissioners also cleared most of the public interest requirements and performance measures.

"I am very pleased and heartened by the successful resolution of so many critical issues," said Chairman Pat Wood, III. "I credit the company, our staff and diverse new local competitors who have participated in the process."

Among the issues still to be resolved are the terms for combination of network elements by SWB for competitors; extended links of these elements; some procedural matters regarding physical, virtual, cageless collocation of competitors' facilities; and the deployment of digital subscriber line (DSL) service. Staff also reported that performance measures needed validation to clarify the process so that a penalty structure could be developed. These issues will be considered in mid-February, possibly concluding the lengthy collaborative process.

The final phase of SWB's application to enter the Texas long distance market requires testing to make sure that SWB's operating systems can communicate with competitors' systems. Communications between operating systems is key to ensuring that customers can be seamlessly transferred to competing carriers. Bellcore, an independent consultant, will help design these tests and evaluate whether the SWB systems offer competitors an opportunity to provide customer services equivalent to SWB's. Testing is scheduled to continue for at least three months.

The goal for the PUC is a competitive market for local service. When SWB has met the FCC's requirements for proving that the preconditions for local phone service have been met, the PUC will recommend to the Federal Communications Commission (FCC) that SWB has met the requirements to enter the long distance market. After the PUC's recommendation, the FCC will consider the many resolved issues, the testing process and all the federal requirements. To date, no Regional Bell Operating Company has gained FCC approval to provide intrastate long distance.

"Southwestern Bell has met the majority of the 14 points required for us to recommend its entry into long distance," said Commissioner Judy Walsh. "Based on its cooperation in this process, I am confident that the remaining issues can be resolved, and that upon successful completion of operations systems testing, the Commission can then make a positive recommendation to the FCC."

Southwestern Bell first petitioned the PUC in March 1998 for permission to enter the long distance market. The process requires that state regulators review the efforts that the company has made in opening its network to competitors.

Commissioners denied SWB's petition in June, but established a collaborative process to work with SWB and its competitors to address and resolve the remaining issues. The collaboration began with a list of about 130 sub-issues that addressed many critical points in the federal 14-point checklist and public interest requirements. Four detailed status reports have updated commissioners on the progress.

Texas has more than 250 telephone companies certified to compete in the local market, either as resellers or with their own facilities. Many have signed and filed interconnection agreements at the PUC.

In Texas' changing regulatory environment, the PUC facilitates competition and customer choice while regulating electric and telephone utilities to ensure that rates, operations and services are just and reasonable for customers.

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